



Louisiana Housing Finance Agency

**Full Board Meeting Minutes
Board of Commissioners
Louisiana Housing Finance Agency**

**Wednesday, October 12, 2011
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00 P.M.**

Commissioners Present

Allison A. Jones
Guy T. Williams
Michael L. Airhart
Katie Anderson
Adena R. Boris
Jerome Boykin, Sr.
Mayson H. Foster
Joseph M. Scontrino, III
Frank H. Thaxton, III
Alice Washington obo John N. Kennedy
Donald B. Vallee
Elsenia Young

Commissioners Absent

Neal P. Miller

Staff Present

Barry E. Brooks
Alesia Wilkins-Braxton
Brenda Evans
Loretta Wallace
Charlette Minor
Rebekah Ward

Rene Landry
Mary Antoon
Marjorianna Willman
Ricky Patterson
Joseph Durnin
Collette Mathis
Danny Veals
Jeff DeGraff
Terry Holden
Karen Thomas
Kalvin Price
Agnes Chambers
Edselle Keith Cunningham, Jr.
Christine Bratkowski
Leslie C. Strahan
Jessica Guinn

Others Present

See Sign-In Sheet

CALL TO ORDER

Chairperson Allison A. Jones called the meeting to order at 12:04 P.M. Board Secretary and Coordinator Barry E. Brooks called the roll; there was a quorum. There was thereafter an introduction of guests.

CHAIRPERSON'S REPORT

Chair Jones gave an update on the Louisiana Housing Corporation Transition Committee, noting that there had been several state-wide meetings and that the audio of said proceedings were available, and that the LHCTC process was going smoothly

Commissioner Donald B. Vallee inquired on the attendance at the LHCTC public meetings. He also noted his concern about cost savings and the reduction and effect thereafter of Office of Community Development programs being phased out also being detrimental to LHFA. He stressed the need for the LHCTC to wait for the appointment of the LHC Executive Director so that said appointee would have some inclusion on the LHC plans and goals. He also noted that OCD was trying to push the Kentucky Plan and that he felt it may not be the right fit for Louisiana.

Chair Jones advised Commissioner Vallee that she'd share his comments and concerns with Commissioner of Administration Paul Rainwater. She also advised that the Plan was due to the Legislature in December 2011.

Commissioner Vallee inquired as to whether it was a Report or a Plan that would be due.

Chair Jones replied that a Draft Plan was due by December 15th. Additionally, she advised Commissioner Vallee that his objections to the LHCTC perhaps should be directed to COA Rainwater and not to the LHFA BOC Chair.

BOC Secretary Barry E. Brooks advised the Chair that approval of Minutes had inadvertently been skipped on the Agenda.

APPROVAL OF MINUTES

On a motion by Commissioner Donald B. Vallee, seconded by Commissioner Katie Anderson, the Minutes of the Full Board Meeting held September 14, 2011, were approved unanimously,

ACTING-PRESIDENT'S REPORT

LHFA Acting-President Alesia Wilkins-Braxton advised that the Agency had received its sixth consecutive "All Clear" audit of its finance and accounting programs. And, that the Duplantier Firm would be back in November to present its findings to the BOC.

Commissioner Mayson H. Foster inquired as to whether the report had to be filed with the Legislative Auditor's Office. Ms. Wilkins-Braxton noted that the report had already been filed with the LAO.

Next Ms. Wilkins-Braxton advised that the Capital City South Apartments would have 60 units of affordable housing with an anticipated opening date of February 2012; and that the Village de Jardin Apartments would have 200 units of affordable housing with an anticipated opening date of December 2011.

Next Ms. Wilkins-Braxton advised that an update on the Bank of America matter would be provided later during the BOCM; that staff was compiling statistics on LIHTC properties for an upcoming HUD report; and she commended the Tax Credit staff on the expedient work they had done on the recently received tax credit applications.

MULTIFAMILY RENTAL HOUSING COMMITTEE

MFC Chair Guy T. Williams advised that there had been a meeting earlier, and that they had a quorum.

The first item to be discussed was a resolution regarding Arbor Place Apartments, of which Chair Williams noted that the Committee was recommending approval.

Program Administrator Brenda Evans briefly went over the specifics thereof, and noted that staff was recommending approval.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee, the resolution authorizing the addition of seven thousand, two hundred seventy-six dollars (\$7,276.00) in 4% Low Income Housing Tax Credits for a total reservation of one hundred seventy-one thousand, eight hundred ninety-two dollars (\$171,892.00) of 4% Low Income Housing Tax Credits to Arbor Place Apartments, #08-03BF (735 Heritage Avenue, Terrytown, Jefferson Parish, Louisiana); and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed were the resolutions regarding the re-development plans of the Housing Authority of New Orleans for Lafitte. Ms. Evans briefly went over the specifics thereof, and noted that the staff was not making a recommendation on the matter.

Chair Williams advised that the matter had been discussed extensively and that accordingly staff was not making a recommendation "...because there was a real balance of pluses and minuses...." and that MFC was recommending approval likewise.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing and approving the re-development strategy for the Lafitte Offsite Rental Development sponsored by the Housing Authority of New Orleans (HANO) to meet the December 31, 2011 GO Zone placed-in-service deadline; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed. There was one (1) NO vote from Commissioner Frank H. Thaxton, III.

Next item discussed was the resolution regarding the 2011/2012 LIHTC Funding Round Preliminary Scores and Ranking. Ms. Evans briefly noted that the staff was still reviewing this particular item, and therefore Board action was no longer needed. Chair Williams concurred likewise.

Next item discussed was an update on the 2011/2012 Funding Round. Ms. Evans advised that info regarding the matter was in the Board binders for reviews.

Next item discussed were the Indiana Homes and Orleans Place matters. Ms. Evans advised that info regarding the matter was in the Board binders for reviews.

Next item discussed was the GO Zone Credit Initiative. Ms. Evans advised that info regarding the matter was in the Board binders for reviews.

Ms. Helena Cunningham addressed the Board, and inquired on when the deadline for developers would be. Ms. Evans advised it would be same timeline but via different dated letters, and that the deadline would be prior to the November 9th BOCM.

MFC Chair Williams noted that he did not anticipate any loss of tax credits.

Commissioner Vallee applauded everyone who had been instrumental in achieving the on-line tax credit application.

Next Ms. Evans advised the Board that the 8823's had been issued for the Cornerstone project, and that she was working with the Compliance staff in monitoring the progress thereof.

MFC Chair Williams advised that if the Cornerstone project falls out of compliance that their tax credits would have to be revoked.

Next item discussed status of LIHTC and other projects matters. Ms. Evans advised that info regarding the matter was in the Board binders for reviews.

AUDIT COMMITTEE

Audit Committee Chair Elsenia Young noted that the Committee had met earlier, and that they were recommending the External Audit Results for FY ended June 30, 2011 matter be POSTPONED and discussed at the November 2011 BOCM.

BOC Chair Jones commended the Agency for six (6) years of consecutive Excellent findings, and advised everyone that the audit report thereof had been duly sent to the Legislative Auditor's Office.

Commissioner Donald Vallee advised that the three (3) rental properties owned by the Agency would be discussed at the November BOCM, and that he'd have an update then also on how much HUD can recapture if any properties are sold.

BUDGET AND FINANCE COMMITTEE

Budget and Finance Committee Chair Mayson H. Foster noted that the Committee had met earlier and had some good discussions, but that they did not have a quorum.

BFC Chair Foster advised that the Agency had ended FY June 30 with \$2.8M in surplus, mainly due to a reduction in spending; and that the Professional Services category was \$800K under budget. He asked that Ms. Alice Washington inform Treasurer John Kennedy of such.

Chair Foster also noted that Jeff Tanquis from Hancock Bank had advised the BFC that the Agency's Investment Portfolio was in good condition and that there had been earnings of 4.36% in income revenues to the Agency, and that challenges in the economy are pending resolves to problems in the European markets, and that the United States was still the most preferred area for making stable investments.

Commissioner Vallee applauded the Agency for having closely watched expenditures, especially in the training and IT software purchases areas; and he also applauded Acting President Wilkins-Braxton for our outstanding leadership of the Agency.

ASSET MANAGEMENT COMMITTEE

Asset Management Committee Chair Donald B. Vallee noted that the Committee had met earlier.

AMC Chair Vallee advised that most of their update info had already been discussed during the Acting-President's Report.

Chair Vallee noted that the Willowbrook Occupancy Report was in the Board binders, and that the Capital City South Project completion date had been extended to February 2012.

Also noted by Chair Vallee was that the AMC had discussed doing an MOU with the Louisiana Land Trust to auction off one (1) REO property in November through a letter of agreement.

ENERGY ASSISTANCE COMMITTEE

Energy Assistance Committee (EAC) Chair Katie Anderson noted that the Committee had met earlier, and had no action items. She advised that the usual Energy activity reports and program summaries was in the binders. And, that LACAP and Shaw had informed the EAC that the Davis-Bacon Program was going well.

SINGLE FAMILY COMMITTEE

Single Family Committee Chair Joseph M. Scontrino, III, noted that the Committee had met earlier, and had established a quorum.

Program Administrator Brenda Evans discussed the 2011A Program Update and Whole Loan Report matters.

Ms. Evans noted that the aforementioned information was in the binder. And, that \$59M was needed to fill the 2011A issue which was currently at \$56M.

Ms. Evans also advised that there was one (1) delinquent loan in the Whole Loan Report, and that said matter was being worked on.

Chair Scontrino noted that Bank of America was getting out the service provider business. He advised the legal strategies going forward are being discussed and explored to ensure program continuity. He also noted that many attempts had and were being made to contact BOA to give the Agency an update on how they intend to proceed with their current Agency commitments.

Board Chair Jones inquired as to whether BOA had been made aware that they may be in breach of agreement with the Agency. Agency Attorney Keith Cunningham replied that Yes BOA had been made aware of such.

Mr. Cunningham furthered noting that the resolution being presented to the Board for approval would allow the Agency to review and possibly restyle the RFP for Master Servicer to ensure the work will be done and to give options to the Agency for replacement.

Commissioner Vallee requested that the BOC be given more time to review the matter to ensure that all precautions have been taken.

Thereafter, Board Chair Jones read verbatim the revised resolution regarding the issuance of a Master Servicer RFP.

Mr. Cunningham advised the Board that BOA had not responded to multiple contact attempts, and that the resolution before them would allow the Agency to explore options for issuing an RFP to ensure Master Servicer functions are performed.

Board Chair Jones requested that everyone be given more time to review the RFP before it is issued, and that the Board would be the final decision maker on any actions regarding the issuance of an RFP for Master Servicer.

Agency Bond Counsel Wayne Neveu advised that a report would be available at the November 2011 BOCM setting forth available options and alternatives to the Master Servicer RFP matter. He also noted that the actual BOCM proceedings record would duly reflect the intent of the BOC on the matter.

Commissioner Vallee noted the need for possible outside legal counsel on the matter.

Mr. Neveu advised that the current BOA contract does provide a means to protect the Agency's interests; that there was a need for the Finance Team to look at the programs and to quantify the financial benefits of BOA as Master Servicer and subsequently any potential financial losses.

Mr. Neveu also advocated again using the previously released RFP; and noted that litigation would most likely only happen if BOC withdraws without a replacement Master Servicer or without written consent by the Agency.

Chair Scontrino directed Ms. Evans in cooperation with the Finance Team to prepare an analysis of the impact on the Single Family Program if there was in fact no Master Servicer.

SPECIAL PROGRAMS – HOME COMMITTEE

In the absence of SPH Committee Chair Neal P. Miller, Board Chair Jones advised that the Committee had not met earlier, and that information on program activities was in the binders.

OTHER BUSINESS

Commissioner Thaxton discussed the HANO Lafitte matter and explained why he voted NO on the matter, noting he did not think the matter was good policy to allow HANO to keep changing the project parameters. He also noted "...There's a set of rules, you play by them, you get burned by them, you get rich by them, (and) you go in the middle by them. It doesn't matter. But their (HANO) rules always seem to be different. That's my comment on other business. It's a policy consideration and I appreciate the voice. Thank you."

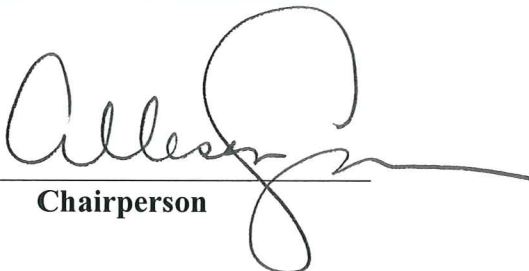
Mr. Preston Saltalamaggia (name inaudible) addressed the BOC regarding cost sheet analyses in the Agency's NRPP group and the perceived lack of subject expertise during project reviews.

Chair Jones requested that Mr. Saltalamaggia put in writing the specifics of his complaint, and that thereafter the matter would be investigated and a report would be made to the BOC.

ADJOURNMENT

There being no other matters to discuss, Commissioner Donald B. Vallee, offered a motion for adjournment that was seconded by Commissioner Katie Anderson. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 1:20 PM.



Chairperson



Secretary